

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:789  
ANSWERED ON:09.07.2009  
PROFIT EARNED BY PUBLIC SECTOR OIL COMPANIES  
Thakor Shri Jagdish

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the total profit earned by the public sector oil companies during each of the last three years and the current year, company-wise;
- (b) whether the prices of all types of petroleum products have been increased during the period;and
- (c) if so, the reasons therefor along with the percentage of increased thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

a): Net profit earned by the major public sector oil companies during the last three years is as under:

(Rs. in crore)

2006-07 2007-08 2008-09

Oil & Natural Gas Corporation 15,643 16,702 16,126

Oil India Limited 1640 1789 2162

ONGC Videsh Ltd 1663 2397 2807

Indian Oil Corporation Limited 7499 6963 2950

Hindustan Petroleum Corporation Limited 1571 1135 575

Bharat Petroleum Corporation Limited 1805 1581 736

Gas Authority of India Limited 2387 2601 2804

The details of profit for the current financial year in respect of above-mentioned Public Sector Oil Companies are not available.

b) & c) The revision in the Retail Selling Prices (RSPs) of sensitive petroleum products, namely, Petrol, PDS Kerosene, Diesel and

Domestic LPG, since 1st April 2006 along with the percentage increase/ decrease is given in the Annexure. The RSPs of petroleum products, other than the sensitive petroleum products are revised by the Public Sector Oil Marketing Companies (OMCs), from time to time, on the basis of market conditions.

The OMCs pay trade parity price when they purchase Petrol and Diesel from domestic refineries and pay import parity price for purchase of PDS Kerosene and Domestic LPG. International prices of crude oil and petroleum products have remained highly volatile in the recent past.

However, as passing on the entire impact of the increase in the oil prices to the consumers would result in a sharp increase in the domestic prices and aggravate the inflationary conditions, the Government has been following the equitable Burden Sharing Mechanism to ensure that the burden of under-recoveries was shared by all the stakeholders; namely the Government, the Public Sector Oil Companies and the consumers in the following manner:

- # Government through Issue of Oil Bonds
- # Upstream public Sector Oil Companies by offering price discounts to OMCs
- # Public Sector OMCs to bear a portion of the under-recoveries, and
- # Consumers to bear minimal price increases.